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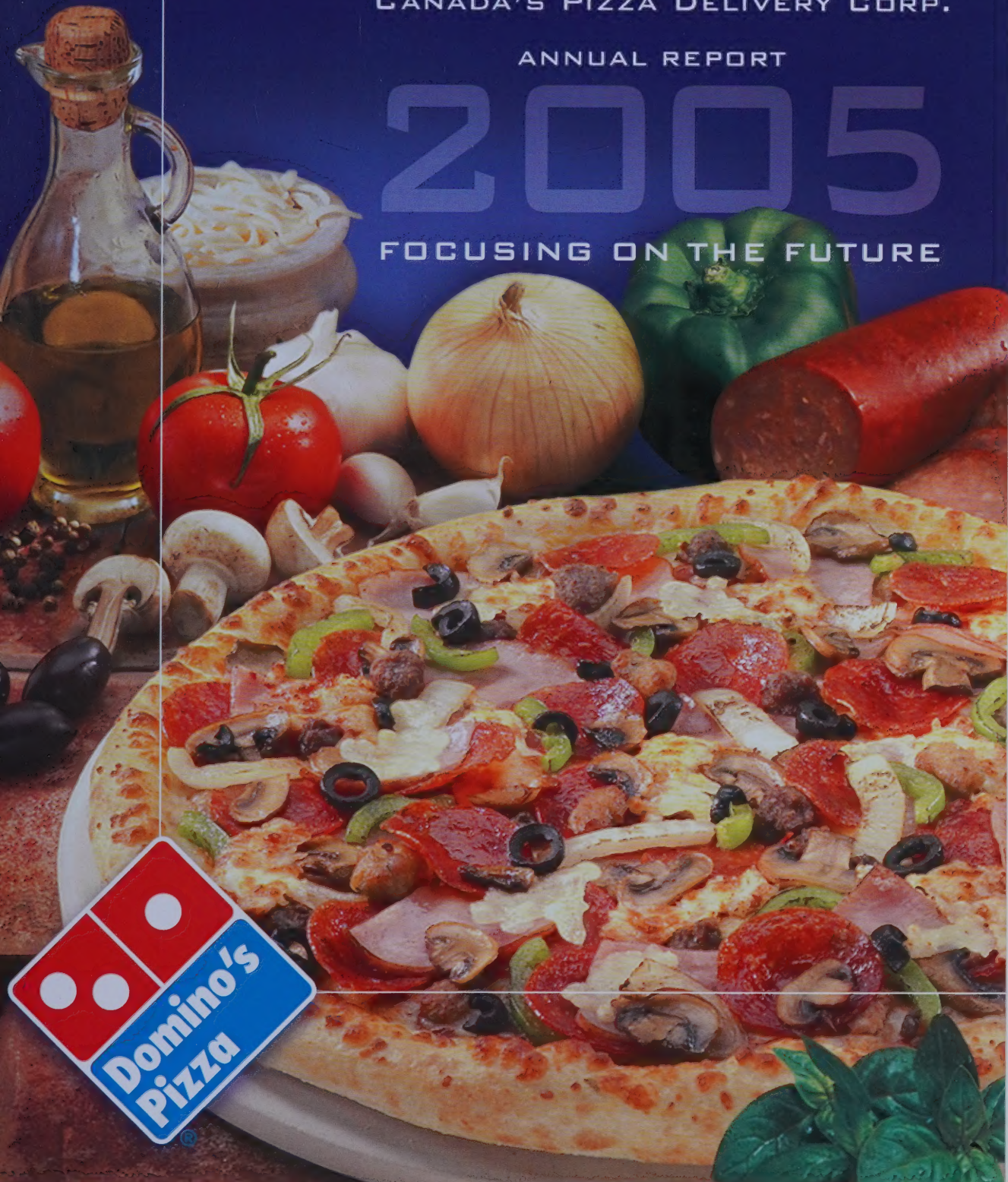


CANADA'S PIZZA DELIVERY CORP.

ANNUAL REPORT

2005

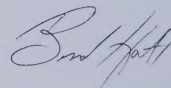
FOCUSING ON THE FUTURE



LETTER TO SHAREHOLDERS

Our turnaround strategy is now showing fruition due to the hard work and dedication of our employees. Aggressive marketing, strong management controls and continuous upgrades to our system have resulted in the second year of this management team achieving records in store revenue. Our company at this writing has a backlog of 31 stores in development with only 4 months into our current fiscal year. Penalties from unopened stores from years of slow growth diminish quickly as we introduce new franchisees to our system. With each new store we head towards no penalties after opening store 288. Penalties are thus replaced at store opening by royalty flow which will continue to fuel revenue growth. Management believes our current growth can be maintained well beyond the opening of store number 288.

Rapid growth, employee stock ownership and escalating sales ensure the success that our very patient investors have been waiting for in our turnaround. We thus believe that our long dormancy in value will end, and our company will attract the attention of the investment community that it finally deserves.



BRAD HOLT

CHAIRMAN OF THE BOARD

Canada's Pizza Delivery Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the 52 weeks ended March 27, 2005 and March 28, 2004

The following discussion and analysis of financial results for the 52 weeks ended March 27, 2005 should be read in conjunction with the Company's audited consolidated financial statements and related notes. Certain statements included in this discussion constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements expressed or implied by such forward-looking statements to be imprecise. Such factors include general economic and business conditions, which among other things, affect demand for the Company's services; the ability of the Company to implement its business strategy; and changes in, or the failure to comply with government regulations, especially health, safety and environmental laws, regulations and guidelines.

The date of this MD&A is July 18, 2005.

Canada's Pizza Delivery Corp. (formerly Comac Food Group Inc.), (the "Company" or "CPD"), was incorporated under the Canada Business Corporations Act and owns and holds franchise interests in the retail food service industry. Currently, the franchise interest held is "Domino's Pizza". The Company is a public company listed on the TSX Venture Exchange.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. As at March 27, 2005, the Company has a working capital deficiency of \$1,552,000 (2004 - \$1,992,000) and had received a Notice of Termination of Credit from its lenders. The Company's ability to continue as a going concern is dependent on the Company achieving ongoing profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not give effect to any adjustments which might be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

Summary of Operating Results

The following table shows the Company's results from continuing operations for the 52 weeks ended March 27, 2005, 52 weeks ended March 28, 2004 and 52 weeks ended March 30, 2003.

For the fiscal years ended	March 27, 2005 (\$000)	March 28, 2004 (\$000)	March 30, 2003 (\$000)
Operating Results			
Systemwide network sales	135,032	122,793	122,495
Total revenue	15,707	12,134	9,087
Loss from continuing operations	(344)	(674)	(427)
Loss from discontinued operations	-	(211)	(296)
Basic and diluted loss per share (1)			
Loss from continuing operations	(0.08)	(0.18)	(0.12)
Loss from discontinued operations	-	(0.06)	(0.09)
Total Assets	8,666	9,262	7,630
Long Term Debt	881	1,732	-
Number of Stores	250	239	226

(1) Adjusted for 1 for 10 stock consolidation on February 28, 2005.

Canada's Pizza Delivery Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the 52 weeks ended March 27, 2005 and March 28, 2004

Systemwide Network Sales

Sales increased by \$12,239,000 in 2005 as compared to 2004. This is a 10% increase resulting from new marketing strategies, additional stores and improved store operations. The Company continues to test new marketing strategies and create further brand awareness.

Revenues

Total revenues for fiscal 2005 were \$15,707,000 up \$3,573,000 over fiscal 2004 due primarily to an increase in retail sales. In 2005, revenue includes a full year of operations for the 20 corporate-owned stores which amounted to \$8,401,000 whereas, in 2004, retail sales consisted of seven months revenue from the purchase of eight Edmonton corporate stores and two months revenue from the five Calgary stores purchased. In 2004, retail sales from 20 corporate-owned stores totaled \$5,476,000. In 2003, revenue included \$2,325,000 in retail sales from 8 corporate-owned stores. The addition of eight Edmonton and five Calgary stores satisfies the contractual obligation in the Master Franchise Agreement requiring CPD to have 20 corporate-owned stores opened by February, 2004.

Cost of Sales

Cost of sales is comprised of royalty expense, royalty penalty and costs associated with corporate-owned stores. Cost of sales for 2005 totaled \$13,114,000 for the 52 weeks ended March 27, 2005, up \$2,799,000 over the 52 weeks ended March 28, 2004. The corporate-owned store costs are the primary reason for the increase. In 2005, cost of sales includes a full year of operations which amounted to \$8,635,000. In 2004, cost of sales included \$5,906,000 for 20 corporate-owned stores as compared to \$2,568,000 in fiscal 2003 for 7 corporate-owned stores. In 2004, retail sales consisted of seven months revenue from the purchase of eight Edmonton corporate stores and two months revenue from the five Calgary stores purchased.

The royalty penalty decreased this year by \$205,000 over last year due to the opening of 11 net new stores. The contractual obligation in the Master Franchise Agreement required 288 stores to open before January, 2003. As each new store opens, this royalty penalty is reduced. Currently, the Company has 38 stores to open to remove the penalty.

Other expenses

Costs for operations support was increased by \$182,000 for the 52 weeks ended March 27, 2005 mainly due to the additional support provided to the franchisees from our operations team. General and administration costs in 2005 decreased over last year by \$81,000. This was due primarily to concentrated efforts to reduce all costs.

Loss from continuing operations

The loss from continuing operations in the amount of \$344,000 included a royalty penalty paid of \$678,000. Future earnings from continuing operations should improve through the reduction of the royalty penalty. The penalty payment will be reduced with each store opening and the Company's goal is to bring this penalty to zero. The royalty penalty for 2004 was \$883,000 and \$434,000 in 2003.

Number of Stores

CPD ended the year with 250 stores in operation. A total of 12 new Domino's locations were opened including 3 new franchisees and 9 existing franchisees. One Domino's location was closed. The following chart summarizes store changes for the fiscal year ended March 27, 2005:

Total Stores in Operation	Domino's
Balance, beginning	239
Stores opened	12
Stores closed	1
Balance, ending	250

The Company's financial statements include the results of operations of the acquired franchise stores from the respective dates of acquisition.

Discontinued Operations

The Company did not have any discontinued operations in 2005. In 2004, discontinued operations were the result of the sale of the Café Division in July.

Quarterly Information

Quarterly information for fiscal 2005 and 2004 is as follows:

(\$000) (except for per share amounts)	Three months ended Fiscal 2005			
	March 27	December 26	September 26	June 27
Revenue	4,123	4,251	3,572	3,761
Income (loss) from continuing operations	(194)	149	(195)	(104)
Net income (loss)	(194)	149	(195)	(104)
Net income (loss) per share, basic and diluted (1)	(0.05)	0.04	(0.05)	(0.02)
Number of stores opened	0	3	4	5
Number of stores closed	0	0	0	1

(\$000) (except for per share amounts)	Three months ended Fiscal 2004			
	March 28	December 28	September 28	June 29
Revenue	3,790	3,578	2,327	2,439
Income (loss) from continuing operations	(31)	18	(280)	(381)
Net loss	(87)	(79)	(338)	(381)
Net income (loss) per share, basic and diluted (1)	(0.02)	(0.02)	(0.09)	(0.11)
Number of stores opened	4	5	1	5
Number of stores closed	0	1	0	1

(1) Adjusted for 1 for 10 stock consolidation on February 28, 2005.

Fourth Quarter Results

Revenue for the fourth quarter ended March 27, 2005 was \$4,123,000. Royalty income for the quarter ended March 27, 2005 increased by 15% or \$239,000 compared to the quarter ended March 28, 2004. This was mainly due to the introduction of "combos" in our marketing campaign. Management feels that sales were negatively impacted due to the NHL lockout and looks forward to the resumption of NHL hockey.

The total general and administration costs and operations support were down \$70,000 overall, for March 27, 2005 compared to March 28, 2004. A reclassification of expenses between general and administration costs and operations support was completed in 2004. Loss for the quarter ended March 27, 2005, was \$194,000. Royalty penalty for the fourth quarter of 2005 was \$165,000.

Canada's Pizza Delivery Corp.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the 52 weeks ended March 27, 2005 and March 28, 2004

Share Capital**Authorized**

Unlimited number of voting common shares

Unlimited number of non-voting preferred shares

Issued

	Number of Shares	Amount
Common shares		
Balance – March 28, 2004	38,575,005	\$ 7,481,000
Private Placements issued for cash (a)	13,500,000	1,013,000
Share issue costs		(7,000)
	52,075,005	8,487,000
Consolidation – 1 for 10 common shares	(46,867,505)	
Balance – March 27, 2005	5,207,500	\$ 8,487,000
Warrants		
Balance March 28, 2004	2,768,815	\$ 40,000
Issued (a), (b)	6,750,000	
Expired (a)	(2,168,815)	
	7,350,000	40,000
Consolidation – 1 for 10 common shares	(6,615,000)	
Balance – March 27, 2005	735,000	\$ 40,000

Effective February 28, 2005, the common shares of the Company were consolidated on the basis of 1 new share for 10 old shares.

a) Private Placements

In November and December 2004, the Company completed two private placements of 13,500,000 units at \$0.075 per unit for total gross proceeds of \$1,012,500, all of which were issued to officers, directors and employees. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.10 per share within 24 months from closing.

In September 2003, the Company completed a private placement of 4,337,630 units at \$0.10 per unit for total gross proceeds of \$433,763. Each unit consists of one common share and one-half share purchase warrant. Each warrant entitled the holder to acquire one common share at an exercise price of \$0.20 per share within 18 months from closing. The warrants expired in March 2005.

b) Warrants

During 2004, the Company issued 600,000 warrants at an exercise price of \$0.10 per common share. Each warrant is exercisable into one common share. The warrants expire on February 12, 2006. The fair value of the warrants has been estimated at \$40,000 using the Black-Scholes Option Pricing Model. The following assumptions were used to estimate the fair value: risk-free interest rate of 6.15%, average volatility of 200%, no dividends and an expiry of February 12, 2006. This amount has been recorded as interest expense in the March 28, 2004 financial statements. The following table is a continuity of warrants:

	2005		2004	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Warrants		\$		\$
Balance, beginning of year	2,768,815	0.18		-
Issued	6,750,000	0.10	2,768,815	0.18
Expired	(2,168,815)	0.20		
Consolidation – 1 for 10	(6,615,000)	-	-	
Balance, end of year	735,000	1.00	2,768,815	0.18

c) Stock options

	March 27, 2005		March 28, 2004	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of year	1,670,000	\$0.20	2,725,000	\$0.19
Cancelled	(95,000)	\$0.12	(1,055,000)	\$0.23
Expired	(1,135,000)	\$0.25	-	-
Consolidation – 1 for 10	(396,000)	-		
Balance, end of year	44,000	\$1.00	1,670,000	\$0.20

Liquidity and Capital Resources

The Company has experienced losses from operations for the fiscal years ended March 27, 2005 and March 28, 2004. As at March 27, 2005, the Company had a working capital deficiency of \$1,552,000 (March 28, 2004 - \$1,992,000) and had received a Notice of Termination of Credit from its lenders. A payment plan is in place to repay the loans.

The long term debt obligations of the company consist of the following:

- The Company has a promissory note payable to Hammer Pizza Ltd. for the purchase of eight corporate-owned stores. The note is payable in monthly instalments of \$8,309, including interest at 7.5% per annum, with a final payment of \$598,500 due September 1, 2005. The purchased assets, having a net book value of \$636,000, have been pledged as security for the note payable.

- b) The Company has an unsecured note payable to a franchisee for the purchase of a corporate-owned store. The note is payable in monthly instalments of \$1,798 plus interest calculated at the prime rate and adjusted each year on the anniversary date with the balance due September 2008.
- c) The Company has an unsecured financing agreement with Gould Leasing Ltd. (Gould). The term of the loan is for three years, maturing February 2007. The loan is payable in monthly instalments of \$10,500, including interest at 16% per annum. In addition, 60,000 warrants were granted to Gould at an exercise price of \$1.00 per common share (as restated for the February 28, 2005, share consolidation – see Note 8(e)) expiring on February 12, 2006. The value of the warrants has been estimated at \$40,000 using the Black-Scholes Options Pricing Model. This value was recorded as interest expense at March 28, 2004.

On June 8, 2005, the Company announced a private placement of 1,000,000 units at a price of \$0.75 per unit, which is expected to close during the second quarter of fiscal 2006. Each unit consists of one common share and one-half share purchase warrant. Each warrant is exercisable for the purchase of one common share at a price of \$1 per common share within twelve months of closing. These funds will be used to retire debt and for additional working capital.

Related Party Transactions

During the fiscal year ended March 27, 2005, the firms of two directors provided professional services for a total of \$257,000 (March 28, 2004– \$376,000) of which \$237,000 (March 28, 2004– \$237,000) is in accounts payable at year-end. These transactions are in the normal course of operations and are recorded at their exchange amounts.

Type of consulting service	52 weeks ended March 27, 2005		52 weeks ended March 28, 2004	
Legal	\$	137,000	\$	256,000
Management		120,000		120,000
Total	\$	257,000	\$	376,000

Accounts payable	As at March 27, 2005		As at March 28, 2004	
Legal	\$	164,000	\$	207,000
Management		73,000		30,000
Total	\$	237,000	\$	237,000

Contractual Obligations

The Company has lease commitments for corporate-owned stores and office premises. The Company also, as the franchisor, is the lessee in some locations owned and operated by the franchisees. The Company enters into sublease agreements with individual franchisees whereby the franchisee assumes responsibility for and makes payments directly to the landlord. The Company has remained as a guarantor on several of the Grabbajabba, Pastel's and Company's Coming, locations that have been sold, which are included in the totals below. In these cases, in addition to the franchisee's responsibility, the purchasers of each division have agreed to indemnify the Company for any future liability arising from these leases.

	Lease Commitment \$	Assumed By Franchisees \$	Net Lease Commitment \$
2006	2,860,000	2,112,000	748,000
2007	2,160,000	1,588,000	572,000
2008	1,780,000	1,300,000	480,000
2009	1,093,000	699,000	394,000
2010 and thereafter	1,577,000	435,000	1,142,000
	9,470,000	6,134,000	3,336,000

Contingencies

As a result of the discontinuance of former franchise brands, the Company is a defendant in three lawsuits. Certain franchisees claim misrepresentation and breach of terms of their franchise agreements and are suing for specified damages. All of these lawsuits are currently dormant. Management believes these claims are without merit.

In addition, the Company is the defendant in a claim for wrongful dismissal by a former officer of the Company and has also been named as co-defendant in a claim by a supplier to the Advertising Fund. The Company has filed statements of defense and counterclaims in respect of each action.

Management is unable to estimate the financial impact on the financial position of the Company that may result from the resolution of these claims.

Subsequent events

On June 8, 2005, the Company announced a private placement of 1,000,000 units at a price of \$0.75 per unit, which is expected to close during the second quarter of fiscal 2006. Each unit consists of one common share and one-half share purchase warrant. Each warrant is exercisable for the purchase of one common share at a price of \$1 per common share within twelve months of closing.

On April 25, 2005, the Company purchased a corporate-owned store in Edmonton Millwoods for \$110,000 and closed the Spruce Grove corporate-owned store. Management estimates the Company's future liability related to the Spruce Grove store closure to be \$25,000. As a result of these transactions, corporate-owned store count will remain at 20.

On June 15, 2005, the Company granted stock options to its employees and directors to purchase 320,000 common shares at \$0.75 per share. The options vest one-third immediately and one-third on each of the first and second anniversaries of the date of grant and expire five years from the date of grant.

Risk and Uncertainty

National and regional competition exists in almost all markets throughout Canada. Domino's has an established worldwide brand, quality systems and products, and is a leader in the pizza delivery business.

The Company is dependent on total system sales, which are subject to many factors which affect the restaurant/quick serve industry in general. The industry is highly competitive, subject to change in demographics, traffic patterns, food costs, and dietary trends.

The Company requires additional capital to achieve requisite growth and profitability. It is not expected that such capital will be generated from operations alone. The Company will seek to raise additional equity and debt and potentially refinance current debt. There is no assurance the Company will be successful in procuring required capital.

The growth of the Company is dependent upon the Company's ability to maintain and grow its existing corporate and franchised stores, locate new sites and obtain qualified operators to become franchisees. The Company faces competition for restaurant locations and franchisees from its competitors and from franchisors of other businesses. The Company's inability to successfully obtain qualified franchisees could adversely affect its business development. The opening and success of the stores is dependent on a number of factors, including: availability of suitable sites; negotiations of acceptable leases for new locations; availability, training and retention of management and other employees necessary to staff new stores, adequately supervising construction; securing suitable financing; and other factors, some of which are beyond the Company's control. Franchisees may not have all these business abilities or access to financial resources necessary to open a store or to successfully develop or operate a restaurant in their franchise areas in a manner consistent with the Company's standards.

The Company provides training and support to franchisees, but the quality of franchised operations may be diminished by any number of factors beyond the Company's control. Consequently, franchisees may not successfully operate stores in a manner consistent with the Company's standards and requirements, or may not hire and train qualified managers and other store personnel. In this case the Company's image and reputation may suffer and systemwide sales and results of operations of the stores could decline.

The Company's success depends upon the efforts of key personnel to attract and retain appropriate franchisee candidates. The loss of the services of such key personnel could have a material adverse effect on the Company's operations. If such key personnel depart the Company and subsequently compete with the Company, such activities could have a material adverse effect on the Company's ability to maintain existing franchises or generate new franchises.

The Company holds its rights to franchise the "Domino's Pizza" brand in Canada under a master franchise agreement ("MFA") with Domino's Pizza International Inc. A default by the Company under the MFA may entail a loss of the Company's rights to franchise with resulting material negative impact on the Company's revenues and operations.

The complete failure to provide a disclosure document entitles the franchisee a two year absolute right of rescission pursuant to the franchise disclosure laws and regulations of both Ontario and Alberta. If a disclosure document does not meet the requirements of the laws, regulations, the franchisee is provided with a sixty day right of rescission. The statutory right of rescission gives the franchisee the right to receive back all monies paid, and to recover for its losses, if any. These statutes also provide a franchisee with a statutory right of action to sue if a franchisee suffers a loss because of a misrepresentation contained in the disclosure document, or as a result of the franchisor's failure to comply with its disclosure obligations. These rights are in addition to any rights that might exist at common law.

Critical Accounting Estimates

The Company tests for impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Management has estimated that projected future net cash flows will be sufficient to recover the carrying amount of the long lived assets.

Financial Reporting Developments in 2005

During the year new accounting pronouncements related to asset retirement obligations and variable interest entities became effective. Management has determined that adoption of these new accounting pronouncements did not have a material impact on the Company's financials statements.

Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments. The carrying value of notes receivable approximates their fair value as the interest rates are consistent with the current rates the Company would offer for debt with similar terms. The carrying value of long-term debt approximates its fair value based on management's estimate of terms that would be offered to the Company for similar debt and the short-term maturity of a significant portion of the long-term debt.

Outlook

Management's primary objective remains to focus on accelerating franchise store growth and elevated brand awareness. Currently, CPD has 31 stores in various stages of development with 29 signed franchise agreements. Of these 29 signed agreements, 19 are new franchisees to the Domino's System and 10 are existing franchisees.

Six (6) of these 31 stores have secured leases and are currently under-construction, aiming to have the stores opened by December 31, 2005. Seven (7) other stores have located potential sites for their new stores and are currently negotiating offers to lease. The remaining signed stores are in pursuit of suitable locations.

The search continues for store locations throughout the country. The Company has retained the services of a national real estate group to assist in locating and negotiating suitable leases.

The Company, in a further effort to facilitate escalating store construction and build-out, has engaged the services of a general contractor as well as that of an architectural firm cognizant with all design requirements of a Domino's Store to assist franchisees with store design. Until the Company has 288 stores, every new store opening decreases royalty penalties payable by approximately \$15,000 per annum.

Sales and earnings are expected to increase in fiscal 2006 as we reduce the royalty penalty and grow the brand.

Directors and officers as at July 18, 2005:

Brad Holt	Chairman of the Board
Manto Ledeboer	Director
Bruce Bronfman	Director
Daryl Fridhandler	Director
Jay Gould	Director
Evelyn Broere	Chief Financial Officer
Geoff Linquist	Vice President, Operations
Cresseide Singh	Legal & Corporate Compliance Officer

MANAGEMENT'S

Calgary, Canada • July 25, 2005

Management is responsible for preparing financial statements and for ensuring consistency therewith of all other financial and operating data presented in this annual report

Management maintains a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

External auditors, appointed by shareholders, have examined the financial statements. The Audit Committee, consisting of a majority of non-management directors, has reviewed the financial statements with management and the auditors and has reported to the Board of Directors. The Board has approved the financial statements.



BRAD HOLT
CHAIRMAN OF THE BOARD



EVELYN BROERE
CHIEF FINANCIAL OFFICER



KENWAY
MACK
SLUSARCHUK
STEWART_{LLP}

Chartered Accountants
www.kmss.ca

AUDITORS' REPORT

To the Shareholders of
Canada's Pizza Delivery Corp.

We have audited the consolidated balance sheet of **Canada's Pizza Delivery Corp.** as at March 27, 2005, and the consolidated statements of operations and deficit and cash flows for the fiscal year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 27, 2005, and the results of its operations and its cash flows for the fiscal year then ended in accordance with Canadian generally accepted accounting principles.

Kennway Mack Slusarchuk Stewart LLP

Calgary, Canada
June 28, 2005

Chartered Accountants

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Member of DFK International
with affiliated offices worldwide

Canada's Pizza Delivery Corp.
CONSOLIDATED BALANCE SHEETS

	As at March 27 2005 \$	As at March 28 2004 \$
ASSETS		
Current		
Cash	148,000	23,000
Accounts receivable	383,000	513,000
Inventories	80,000	71,000
Prepaid expenses and deposits	111,000	182,000
Income taxes receivable	378,000	333,000
Current portion of notes receivable (note 3)	40,000	-
	1,140,000	1,122,000
Notes receivable (note 3)	112,000	-
Intangible assets (note 4)	4,942,000	5,073,000
Tangible assets (note 4)	2,472,000	3,067,000
	8,666,000	9,262,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Demand bank loans (note 5)	298,000	426,000
Accounts payable and accrued liabilities	1,532,000	1,655,000
Deferred revenue	115,000	182,000
Current portion of long-term debt (note 6)	747,000	851,000
	2,692,000	3,114,000
Other long-term liabilities	101,000	80,000
Long-term debt (note 6)	134,000	881,000
Future income taxes (note 7)	1,300,000	1,410,000
	4,227,000	5,485,000
Commitments and contingencies (note 10)		
SHAREHOLDERS' EQUITY		
Share capital (note 8)	8,487,000	7,481,000
Warrants (note 8)	40,000	40,000
Contributed surplus	710,000	710,000
Deficit	(4,798,000)	(4,454,000)
	4,439,000	3,777,000
	8,666,000	9,262,000

See accompanying notes



On behalf of the Board:

BRAD HOLT
CHAIRMAN OF THE BOARD



DARYL S. FRIDHANDLER
DIRECTOR

Canada's Pizza Delivery Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	52 weeks ended	
	March 27 2005	March 28 2004
	\$	\$
Network Sales – Continuing operations (<i>unaudited</i>)	135,032,000	122,793,000
Network Sales – Discontinued operations (<i>unaudited</i>)	-	1,425,000
Systemwide Network Sales (<i>unaudited</i>)	135,032,000	124,218,000
REVENUE		
Royalty income	6,966,000	6,455,000
Franchise fees	189,000	126,000
Retail sales from corporate-owned stores	8,401,000	5,476,000
Other	151,000	77,000
	15,707,000	12,134,000
COST OF SALES		
Royalty expense	3,801,000	3,526,000
Royalty penalty (<i>note 10(b)</i>)	678,000	883,000
Corporate-owned store costs	8,635,000	5,906,000
	13,114,000	10,315,000
Gross margin	2,593,000	1,819,000
EXPENSES		
General and administration	1,259,000	1,340,000
Operations support	1,252,000	1,070,000
Amortization	495,000	370,000
Interest	112,000	99,000
	3,118,000	2,879,000
Loss from continuing operations before the following	(525,000)	(1,060,000)
(Gain) loss on sale of assets	(71,000)	73,000
Loss before income taxes and discontinued operations	(454,000)	(1,133,000)
Provision for income taxes (<i>note 7</i>)		
Current recovery	-	(243,000)
Future recovery	(110,000)	(216,000)
	(110,000)	(459,000)
Loss from continuing operations	(344,000)	(674,000)
Loss from discontinued operations	-	(211,000)
Loss for the year	(344,000)	(885,000)
Deficit, beginning of year	(4,454,000)	(3,569,000)
Deficit, end of year	(4,798,000)	(4,454,000)
Loss per share (<i>note 8(d)</i>)		
Basic and diluted loss per share, continuing operations	(0.08)	(0.18)
Basic and diluted loss per share, discontinued operations	-	(0.06)
	(0.08)	(0.24)

See accompanying notes

Canada's Pizza Delivery Corp.
CONSOLIDATED STATEMENTS OF CASH FLOW

	52 weeks ended	
	March 27	March 28
	2005	2004
	\$	\$
OPERATING ACTIVITIES		
Loss for the year from continuing operations	(344,000)	(674,000)
Items not requiring cash		
Amortization	495,000	370,000
(Gain) loss on sale of assets	(71,000)	73,000
Future income taxes	(110,000)	(216,000)
Non-cash warrant expense	-	40,000
	(30,000)	(407,000)
Net change in non-cash working capital <i>(Note 11)</i>	(43,000)	156,000
Cash used in continuing operations	(73,000)	(251,000)
Cash used in discontinued operations	-	(211,000)
	(73,000)	(462,000)
INVESTING ACTIVITIES		
Payment of notes receivable	23,000	12,000
Acquisitions of franchises	-	(450,000)
Expenditures on building of stores	-	(417,000)
Expenditures on other assets	(73,000)	(71,000)
Proceeds on sale of Pastel's and Company's Coming	-	249,000
Proceeds on sale of corporate-owned stores	200,000	142,000
	150,000	(535,000)
FINANCING ACTIVITIES		
Decrease in demand bank loans	(128,000)	(139,000)
Proceeds from long-term debt	-	300,000
Repayments on long-term debt	(851,000)	(146,000)
Issue of private placement, net of share issue costs	1,006,000	419,000
Increase (decrease) of other long-term liabilities	21,000	(75,000)
	48,000	359,000
Increase (decrease) in cash	125,000	(638,000)
Cash, beginning of year	23,000	661,000
Cash, end of year	148,000	23,000

See accompanying notes

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

On December 23, 2003, the Company changed its name from Comac Food Group Inc. to Canada's Pizza Delivery Corp. (the "Company"). The Company was incorporated under the Canada Business Corporations Act. It owns and holds franchise interests in the retail food service industry. The Company is a public company listed on the TSX Venture Exchange.

The Company currently holds the rights to Domino's Pizza operations in Canada. Under the terms of the Master Franchise Agreement ("MFA"), the Company is required to operate 288 stores in Canada, including 20 corporate-owned stores (see Note 10(b)). The MFA is for an initial term from January 30, 1993 to January 29, 2008, with provisions for up to four ten-year renewals by the Company, providing the Company is not in breach of significant covenants in the MFA.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has experienced losses from operations for the fiscal years ended March 27, 2005 and March 28, 2004. As at March 27, 2005, the Company had a working capital deficiency of \$1,552,000 (March 28, 2004 - \$1,992,000) and had received a Notice of Termination of Credit from its lenders as described in Note 5. The Company's ability to continue as a going concern is dependent on the Company achieving ongoing profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its wholly-owned subsidiaries, Domino's Pizza of Canada Ltd. ("Domino's"), 677463 Alberta Ltd. and Domchan Holdings Ltd. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Accordingly, actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Systemwide Network Sales

Systemwide network sales include retail sales of all corporate-owned and franchised stores, based on sales information reported by store operators.

Revenue Recognition

Franchise royalties are based on a percentage of gross sales as reported by the franchisees. These revenues are recognized at the time the sales are made by the franchisees.

Franchise fees are recognized when the franchisee opens its store for business. Revenue received for franchised store locations not open at year end is recorded as deferred revenue.

Retail sales by corporate-owned stores are recognized when products are purchased by customers.

Inventories

Inventories of ingredients, selling supplies and uniforms are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Intangible and Tangible Assets

Intangible and tangible assets are recorded at cost. Amortization is provided at rates designed to amortize the cost of the assets over their estimated useful lives as follows:

Intangible assets

Domino's Master Franchise	40 years – straight line
Franchise rights	40 years – straight line

Tangible assets

Office furnishings and equipment	3 - 5 years – straight line
Corporate-owned store equipment	15% declining balance
Corporate-owned store leaseholds	10 years – straight line

Impairment of long-lived assets

The Company tests for impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Future Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between financial reporting and income tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that will be in effect when differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in net income (loss) in the period in which the change occurs. A valuation allowance is recorded against a future income tax asset if it is not more likely than not that the asset will be realized.

Measurement Uncertainty

The amounts recorded for amortization, including impairment, of tangible and intangible assets, as well as the amount recorded as allowance for doubtful accounts and inventory valuation, are based on management estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future years could be significant.

Per Share Amounts

The Company utilizes the treasury stock method in the determination of diluted per-share amounts. Under this method, the diluted weighted average number of shares is calculated assuming that proceeds arising from the exercise of in-the-money options and other dilutive instruments are used to purchase, for cancellation, common shares of the Company at their average market price for the period.

Stock-based Compensation

The Company has a stock option plan, which is described in Note 8. Options to purchase common shares are granted from time-to-time to directors, officers and employees at current market prices. The Company uses the fair-value method of accounting for stock options granted. Under this method, stock-based compensation is recorded in the consolidated statements of operations over the vesting period with a corresponding increase recorded as contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital.

Advertising Fund

The Company, as trustee, receives and is responsible for the administration of advertising monies, which are used for promoting common business interests among franchisees and the Company, including promoting the sale of Domino's Pizza products and brand awareness through national advertising and promotion campaigns. The organization of the Domino's Pizza National Advertising Trust Fund (the "Advertising Fund") does not result in the Company being either exposed to expected losses or entitled to expected residual returns of the fund and therefore, the operations of the Advertising Fund and its assets and liabilities are not included in these financial statements.

3. NOTES RECEIVABLE

	2005 \$	2004 \$
Lakeshore store (a)	74,000	-
Stratford store (b)	78,000	-
	152,000	-
Less Current Portion	40,000	-
	112,000	-

- a) Pursuant to the sale of the Lakeshore store, the Company has a promissory note receivable from the purchaser. Payments on the note receivable are \$1,600 per month including interest at prime rate plus 2% per annum. Maturity of the note is June, 2009. A general security agreement relating to the purchased assets was provided by the purchaser as security for the loan.
- b) Pursuant to the sale of the Stratford store, the Company has a promissory note receivable from the purchaser. Payments on the note receivable are \$1,700 per month including interest at prime rate plus 2% per annum. Maturity of the note is May 2009. A general security agreement relating to the purchased assets was provided by the purchaser as security for the loan.

4. INTANGIBLE AND TANGIBLE ASSETS

	2005		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Intangibles			
Domino's Master Franchise	5,565,000	1,063,000	4,502,000
Franchise rights	474,000	34,000	440,000
	6,039,000	1,097,000	4,942,000
Tangibles			
Office furnishings and equipment	679,000	593,000	86,000
Corporate-owned store equipment	1,065,000	251,000	814,000
Corporate-owned store leaseholds	1,899,000	327,000	1,572,000
	3,643,000	1,171,000	2,472,000
	9,682,000	2,268,000	7,414,000

	2004		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Intangibles			
Domino's Master Franchise	5,565,000	955,000	4,610,000
Franchise rights	474,000	11,000	463,000
	6,039,000	966,000	5,073,000
Tangibles			
Office furnishings and equipment	647,000	553,000	94,000
Corporate-owned store equipment	1,278,000	160,000	1,118,000
Corporate-owned store leaseholds	2,015,000	160,000	1,855,000
	3,940,000	873,000	3,067,000
	9,979,000	1,839,000	8,140,000

5. DEMAND BANK LOANS

	2005 \$	2004 \$
Demand operating bank loan (a)	60,000	80,000
Demand term bank loans (b)	238,000	346,000
	298,000	426,000

a) The demand operating bank loan bears interest at the bank's prime rate plus 1.15% per annum.

b) The demand term bank loans bear interest at the bank's prime rate plus 1.65% per annum.

The bank loans are collateralized by a general security agreement and by a fixed and floating charge debenture in the amount of \$750,000 covering all the Company's assets except for the Domino's Pizza MFA.

On January 26, 2005, the Company received a Notice of Termination of Credit from the bank relating to all of its outstanding bank loans. The Company has negotiated the following terms of repayment until the demand bank loans are repaid in full:

	Demand operating bank loan	Demand term bank loans	Total
March 31, 2005	\$ 28,000	\$ 9,000	\$ 37,000
April 30, 2005	20,000	9,000	29,000
May 31, 2005	12,000	39,000	51,000
June 30, 2005	-	39,000	39,000
July 31, 2005	-	39,000	39,000
August 31, 2005	-	39,000	39,000
September 30, 2005	-	39,000	39,000
October 31, 2005	-	25,000	25,000
	\$ 60,000	\$ 238,000	\$ 298,000

6. LONG-TERM DEBT

	2005 \$	2004 \$
Hammer Pizza Ltd.(a)	625,000	675,000
S. Kataria (b)	74,000	90,000
Gould Leasing Ltd. (c)	182,000	287,000
771848 Alberta Ltd.	-	680,000
	881,000	1,732,000
Less current portion	747,000	851,000
	134,000	881,000

- a) The Company has a promissory note payable to Hammer Pizza Ltd. for the purchase of eight corporate-owned stores. The note is payable in monthly instalments of \$8,309, including interest at 7.5% per annum, with a final payment of \$598,500 due September 1, 2005. The purchased assets, having a net book value of \$636,000, have been pledged as security for the note payable.
- b) The Company has an unsecured note payable to a franchisee for the purchase of a corporate-owned store. The note is payable in monthly instalments of \$1,798 plus interest calculated at the prime rate and adjusted each year on the anniversary date with the balance due September 2008.
- c) The Company has an unsecured financing agreement with Gould Leasing Ltd. (Gould). The term of the loan is for three years, maturing February 2007. The loan is payable in monthly instalments of \$10,500, including interest at 16% per annum. In addition, 60,000 warrants were granted to Gould at an exercise price of \$1.00 per common share (as restated for the February 28, 2005, share consolidation – see Note 8(e)) expiring on February 12, 2006. The value of the warrants has been estimated at \$40,000 using the Black-Scholes Options Pricing Model. This value was recorded as interest expense at March 28, 2004.

Future principal payments on the long-term debt as at March 27, 2005 are as follows:

2006	\$ 747,000
2007	103,000
2008	22,000
2009	9,000
	\$ 881,000

7. INCOME TAXES

The Company's computation of income tax provision (recovery) is as follows:

	2005	2004
Tax rate	34.07%	36.12%
Computed income tax (recovery) provision	\$ (155,000)	\$ (486,000)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	2,000	25,000
Current period losses not recognized	74,000	104,000
Realization of unrecognized tax benefits	(31,000)	(47,000)
Benefit of tax rate reduction	-	(55,000)
	\$ (110,000)	\$ (459,000)

At March 27, 2005 the Company has the following accumulated tax losses for utilization in future years. These losses expire on the following dates:

March 26, 2007	801,000
March 25, 2008	26,000
March 31, 2009	130,000
March 31, 2010	922,000
March 29, 2014	262,000
March 28, 2015	220,000
	\$ 2,361,000

The components of the net future income tax liability are as follows:

	2005	2004
Future income tax assets (liabilities)		
Book value of assets in excess of tax value	\$ (1,304,000)	\$ (1,359,000)
Non-capital losses carry forward	794,000	1,569,000
Other	4,000	53,000
	(506,000)	263,000
Valuation allowance	(794,000)	(1,673,000)
Future income tax liability	\$ (1,300,000)	\$ (1,410,000)

8. SHARE CAPITAL**Authorized**

Unlimited number of voting common shares.

Unlimited number of non-voting preferred shares.

Issued

	2005		2004	
	Number of shares	Amount	Number of shares	Amount
Common shares				
Balance, beginning of year	38,575,005	\$ 7,481,000	34,237,375	\$ 7,060,000
Private placements (a)	13,500,000	1,013,000	4,337,630	433,000
Share issue costs		(7,000)		(12,000)
	52,075,005	8,487,000	38,575,005	7,481,000
Consolidation (e)	(46,867,505)		-	
Balance, end of year	5,207,500	8,487,000	38,575,005	\$ 7,481,000
Warrants				
Balance, beginning of year (a)	2,768,815	\$ 40,000		\$ -
Issued (a), (b)	6,750,000	-	2,768,815	40,000
Expired (a)	(2,168,815)		-	
	7,350,000	40,000	2,768,815	40,000
Consolidation (e)	(6,615,000)		-	
Balance, end of year	735,000	\$ 40,000	2,768,815	\$ 40,000

a) Private Placements

In November and December 2004, the Company completed two private placements of 13,500,000 units at \$0.075 per unit for total gross proceeds of \$1,012,500, all of which were issued to officers, directors and employees. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.10 per share within 24 months from closing.

In September 2003, the Company completed a private placement of 4,337,630 units at \$0.10 per unit for total gross proceeds of \$433,763. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitled the holder to acquire one common share at an exercise price of \$0.20 per share within 18 months from closing. The warrants expired in March 2005.

b) Warrants

During 2004, the Company issued 600,000 warrants at an exercise price of \$0.10 per common share. Each warrant is exercisable into one common share. The warrants expire on February 12, 2006. The fair value of the warrants has been estimated at \$40,000 using the Black-Scholes Option Pricing Model. The following assumptions were used to estimate the fair value: risk-free interest rate of 6.15%, average volatility of 200%, no dividends and an expiry of February 12, 2006. This amount has been recorded as interest expense in the March 28, 2004 financial statements. The following table is a continuity of warrants.

2005			2004	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
		\$		\$
Warrants				
Balance, beginning of year	2,768,815	0.18	-	-
Issued	6,750,000	0.10	2,768,815	0.18
Expired	(2,168,815)	0.20		
Consolidation (e)	(6,615,000)	-	-	-
Balance, end of year	735,000	1.00	2,768,815	0.18

c) Stock options

The Company has established a stock option plan whereby options for a maximum of 520,750 common shares may be granted to its employees and directors. Options granted under the plan vest either immediately or over a 24-month period at the rate of one-third immediately and one-third on each of the subsequent anniversary dates. All options expire five years after the grant date. All options are granted at or above the market price of the stock on the date of grant.

The following tables summarize information about stock options outstanding.

2005			2004	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of year	1,670,000	\$0.20	2,725,000	\$0.19
Cancelled	(95,000)	\$0.12	(1,055,000)	\$0.23
Expired	(1,135,000)	\$0.25	-	-
Consolidation (e)	(396,000)	-		
Balance, end of year	44,000	\$1.00	1,670,000	\$0.20

Exercise Prices	Number Outstanding at March 27, 2005	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable at March 27, 2005
\$1.00	43,000	2.1	\$1.00	43,000
\$1.50	1,000	0.08	\$1.50	1,000
	44,000	2.1	1.00	44,000

d) Per share amounts

Amounts per common share are based on the weighted average number of common shares outstanding during the year of 4,266,679 (March 28, 2004 – 3,727,610 restated for the February 28, 2005, share consolidation – see Note 8(e)). In computing diluted per share amounts, all of the Company's outstanding options and warrants were excluded from the calculation of the weighted average number of common shares outstanding because the options and warrants exercise prices were greater than the average market price of the common shares.

e) Consolidation

Effective February 28, 2005, the TSX Venture Exchange approved a one new share for ten old shares consolidation of the common shares of the Company. The share consolidation was approved at the annual and special meeting of shareholders which was held on December 24, 2004.

As a result of the share consolidation, the Company's issued and outstanding common shares decreased from 52,075,005 common shares (pre-consolidation) to 5,207,500 common shares (post-consolidation).

9. RELATED PARTY TRANSACTIONS

During the fiscal year ended March 27, 2005, the firms of two directors provided professional services for a total of \$257,000 (March 28, 2004– \$376,000) of which \$237,000 (March 28, 2004– \$237,000) is in accounts payable at year-end. These transactions are in the normal course of operations and are recorded at their exchange amounts.

Type of consulting service	2005		2004	
Legal	\$	137,000	\$	256,000
Management		120,000		120,000
	\$	257,000	\$	376,000

Accounts payable	2005		2004	
Legal	\$	164,000	\$	207,000
Management		73,000		30,000
	\$	237,000	\$	237,000

10. COMMITMENTS AND CONTINGENCIES**a) Operating Leases**

The Company has lease commitments for corporate-owned stores and office premises. The Company also, as the franchisor, is the lessee in some locations owned and operated by franchisees. The Company enters into sublease agreements with individual franchisees whereby the franchisee assumes responsibility for and makes payments directly to the landlord. The Company has remained as a guarantor on several of the previous Grabbajabba, Pastel's and Company's Coming locations that have been sold, which are included in the totals below. In these cases, in addition to the franchisee's responsibility, the purchasers of these previous locations have agreed to indemnify the Company for any future liability arising from these leases.

	Lease Commitment	Assumed by Franchisees	Net Lease Commitment
	\$	\$	\$
2006	2,860,000	2,112,000	748,000
2007	2,160,000	1,588,000	572,000
2008	1,780,000	1,300,000	480,000
2009	1,093,000	699,000	394,000
2010 and thereafter	1,577,000	435,000	1,142,000
	9,470,000	6,134,000	3,336,000

b) Royalty Penalty

Cost of sales includes a royalty penalty under the MFA as a result of the Company having fewer Domino's Pizza stores in operation than required by the MFA. The MFA stipulates that the Company must operate 288 stores.

At March 27, 2005, the Company had 250 Domino's Pizza stores in operation. The royalty penalty is payable weekly and is calculated as 3% of system-wide weekly average store sales multiplied by the number of stores short of the required level.

c) Contingencies

As a result of the discontinuance of former franchise brands, the Company is a defendant in three lawsuits. Certain franchisees claim misrepresentation and breach of terms of their franchise agreements and are suing for specified damages. All of these lawsuits are currently dormant. Management believes these claims are without merit.

In addition, the Company is the defendant in a claim of wrongful dismissal by a former officer of the Company and has also been named as co-defendant in a claim by a supplier to the Advertising Fund. The Company has filed statements of defence and counterclaims in respect of each action.

Management is unable to estimate the financial impact on the financial position of the Company that may result from the resolution of these claims.

11. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital is comprised of:

	2005		2004
Accounts receivable	\$ 130,000	\$	(145,000)
Inventories	(9,000)		(6,000)
Prepaid expenses	71,000		(99,000)
Income tax receivable	(45,000)		(333,000)
Accounts payable and accrued liabilities	(190,000)		739,000
	\$ (43,000)	\$	156,000
Cash income taxes paid	\$ 46,000	\$	90,000

12. ECONOMIC DEPENDENCE

Under the terms of the MFA, the Company and its franchisees are required to purchase substantially all of their food ingredients and packaging from Domino's Pizza Distribution Corporation, a company controlled by Domino's Pizza International Inc.

13. FINANCIAL INSTRUMENTS**Credit Risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from its franchisees. However, the Company has a significant number of franchisees which minimizes concentration of credit risk.

Fair Value

The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

The carrying value of notes receivable approximates their fair value as the interest rates are consistent with the current rates the Company would offer for debt with similar terms.

The carrying value of long-term debt approximates its fair value based on management's estimate of terms that would be offered to the Company for similar debt and the short-term maturity of a significant portion of the long-term debt.

14. SUBSEQUENT EVENTS

On June 8, 2005, the Company announced a private placement of 1,000,000 units at a price of \$0.75 per unit, which is expected to close during the second quarter of fiscal 2006. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable for the purchase of one common share at a price of \$1 per common share within twelve months of closing.

On April 25, 2005, the Company purchased a corporate-owned store in Edmonton Millwoods for \$110,000 and closed the Spruce Grove corporate-owned store. Management estimates the Company's future liability related to the Spruce Grove store closure to be \$25,000. As a result of these transactions, corporate-owned store count will remain at 20.

On June 15, 2005, the Company granted stock options to its employees and directors to purchase 320,000 common shares at \$0.75 per share. The options vest one-third immediately and one-third on each of the first and second anniversaries of the date of grant and expire five years from the date of grant.

15. COMPARATIVE FINANCIAL STATEMENTS

The consolidated balance sheet as at March 28, 2004 and the consolidated statements of operations and deficit and cash flows for the year then ended were reported on by another firm of chartered accountants who issued an unqualified opinion in their report dated September 7, 2004.

The March 28, 2004, consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year loss.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Bruce Bronfman, Toronto, Ontario*

Daryl S. Fridhandler, Q.C., Calgary, Alberta*

Jay Gould, Toronto, Ontario

Brad Holt, Minneapolis, Minnesota*

Manto Ledebøer, The Hague, Netherlands

*Member of the Audit Committee

OFFICERS & EXECUTIVE MANAGEMENT

Brad Holt
Chairman of the Board

Evelyn Broere
Chief Financial Officer

Geoff Linquist
Vice President, Operations

Cresseide I. Singh
Legal & Corporate Compliance Officer

HEAD OFFICE

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TRANSFER AGENT AND REGISTRAR

CIBC Mellon Trust Company
The Dome Tower
600, 333 - 7 Avenue SW
Calgary, Alberta T2P 2Z1
Phone: 403.232.2400

BOARD OF DIRECTORS

Bruce Bronfman, Toronto, Ontario*

President and Chief Executive Officer of Mida Investments Inc., a private venture capital firm. Mr. Bronfman has held senior and executive positions with several Canadian public companies including Trizec, Noranda Sales Corporation and Edper Enterprises Ltd., Brascan, Hees International and Brookfield Properties (formerly Carena Developments).

Daryl S. Fridhandler, Calgary, Alberta*

Partner in the law firm of Burnet, Duckworth & Palmer, where he has practiced since 1983. He has served and continues to serve as director or officer of a number of private and public corporations (including TSE listed Westjet Airlines Ltd. and Innova Exploration Ltd.), as well as many not-for-profit boards. He manages a broad based corporate and commercial practice with a specific focus on corporate finance, public/private projects and 'going public' transactions for enterprises in many business sectors.

Jay Gould, Toronto, Ontario

Mr. Gould is President of New York Fries, a privately held company operation as a Franchisor in the quick service retail food business throughout Canada. As a co-founder of New York Fries, Mr. Gould has extensive developmental and operational experience within the retail food industry.

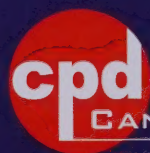
Brad Holt, Minneapolis, Minnesota*

President of Lion's Gate Capital, a private investment-banking firm. Mr. Holt has considerable experience in raising cost-effective capital for public companies, broadening shareholder bases and creating strategic alliances to accelerate the growth of companies.

Manto Ledebøer, The Hague, Netherlands

President of the financial firm Bergheuevel B.V. Mr. Ledebøer is an independent investment manager and financial planner who manages investments in the real estate, banking and retail industries. He previously worked as an investment manager for Prudential Bache in New York.

*Member of the Audit Committee



CANADA'S PIZZA DELIVERY CORP.

FORMERLY COMAC FOOD GROUP INC. →